

and the actions he took while in office. Although Secretary Espy has said he has done nothing wrong, I am troubled by the appearance of some of these incidents and believe his decision to leave is appropriate. During the remainder of his tenure, Secretary Espy will recuse himself from meat and poultry inspection issues. And I have asked Judge Abner Mikva, the White House Counsel, to continue his review of the Espy case until that review is complete.

Message to the Congress on Panama *October 3, 1994*

To the Congress of the United States:

1. I hereby report to the Congress on developments since the last Presidential report on November 9, 1993, which have resulted in the termination of the continued blocking of Panamanian government assets. This is the final report with respect to Panama pursuant to section 207(d) of the International Emergency Economic Powers Act, 50 U.S.C. 1706(d).

2. On April 5, 1990, President Bush issued Executive Order No. 12710, terminating the national emergency declared on April 8, 1988, with respect to Panama. While this order terminated the sanctions imposed pursuant to that declaration, the blocking of Panamanian government assets in the United States was continued in order to permit completion of the orderly unblocking and transfer of funds that the President directed on December 20, 1989, and to foster the resolution of claims of U.S. creditors involving Panama, pursuant to 50 U.S.C. 1706(a). The termination of the national emergency did not affect the continuation of compliance audits and enforcement actions with respect to activities taking place during the sanctions period, pursuant to 50 U.S.C. 1622(a).

3. The Panamanian Transactions Regulations, 31 CFR Part 565 (the "Regulations"), were amended effective May 9, 1994, to foster the resolution of U.S. persons' claims against the Government of Panama arising prior to the April 5, 1990, termination date. (59 *Federal Register* 24643, May 12, 1994.) A copy of the amendment is attached. The amendment, new section 565.512, includes a statement of licensing policy indicating that

the Department of the Treasury's Office of Foreign Assets Control ("FAC") would issue specific licenses authorizing the release of blocked Government of Panama funds at the request of that government to satisfy settlements, final judgments, and arbitral awards with respect to claims of U.S. persons arising prior to April 5, 1990. In addition, FAC stated that it would accept license applications from U.S. persons seeking judicial orders of attachment against blocked Government of Panama assets in satisfaction of final judgments entered against the Government of Panama, provided such applications are submitted no later than June 15, 1994.

4. No applications were received pursuant to this amendment for the purpose of obtaining judicial orders of attachment against blocked Government of Panama assets. Since the last report, however, specific licenses were issued at the request of the Government of Panama to unblock about \$4.4 million to satisfy settlements reached with the vast majority of U.S. creditors by the Government of Panama. On September 9, 1994, the FAC gave notice to the public that the remaining blocked Government of Panama assets, approximately \$2.1 million, would be unblocked effective September 16, 1994. (50 *Federal Register* 46720, September 9, 1994.) A copy of the notice is attached. Half of the \$2.1 million had been held at the Federal Reserve Bank of New York at the request of the Government of Panama. The remaining amounts were held in blocked commercial bank accounts or in blocked reserved accounts established under section 565.509 of the Panamanian Transactions Regulations, 31 CFR 565.509. The remaining known claimants were informed that, prior to the unblocking, the Government of Panama and Air Panama had directed the transfer of \$400,000 into a trust account administered by counsel to the Republic of Panama and Air Panama, as escrow agent, to be utilized toward resolution of the few remaining U.S. claims. This sum exceeds the face amount of the total of the known remaining claims.

5. With the unblocking on September 16, 1994, of Government of Panama funds that had been subject to the continued blocking, the sanctions program initiated to deal with the threat once posed by the Noriega regime

in Panama is completed. However, enforcement action for past violations may still be pursued within the applicable statute of limitations.

6. The expenses incurred by the Federal Government during the period of the national emergency with respect to Panama from April 8, 1988, through April 5, 1990, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Panama are estimated to total about \$2.225 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the U.S. Customs Service, the Office of the Under Secretary for Enforcement, and the Office of the General Counsel), and the Department of State (particularly the Bureau of Economic and Business Affairs and the Office of the Legal Adviser).

William J. Clinton

The White House,
October 3, 1994.

**Message to the Congress
Transmitting Reports of the
Department of Transportation**

October 3, 1994

To the Congress of the United States:

I transmit herewith the 1993 calendar year reports as prepared by the Department of Transportation on activities under the Highway Safety Act and the National Traffic and Motor Vehicle Safety Act of 1966, as amended (23 U.S.C. 401 note and 15 U.S.C. 1408).

William J. Clinton

The White House,
October 3, 1994.

**Message to the Congress
Transmitting the Report of the
Federal Labor Relations Authority**

October 3, 1994

To the Congress of the United States:

In accordance with section 701 of the Civil Service Reform Act of 1978 (Public Law 95–

454; 5 U.S.C. 7104(e)), I have the pleasure of transmitting to you the Fifteenth Annual Report of the Federal Labor Relations Authority for Fiscal Year 1993.

The report includes information on the cases heard and decisions rendered by the Federal Labor Relations Authority, the General Counsel of the Authority, and the Federal Service Impasses Panel.

William J. Clinton

The White House,
October 3, 1994.

**Remarks at a Reception for
California Gubernatorial Candidate
Kathleen Brown**

October 3, 1994

The President. Thank you very much. Why don't we just vote right now? [Laughter] You do that for 30 more days, and you're in like Flint. That was terrific. Thank you, Kathleen. And thank you, Governor Bayh, for your leadership.

You know, I really resent Evan Bayh. He's young and handsome, manages to avoid controversy and stay popular. And he's done a lot better as head of the Democratic Governors than I did when I was there. [Laughter]

Governor Bayh. Well, that's because I have a great President helping out.

The President. Not only that, but he's a wonderful tribute to our party, and he has a terrific future.

I came here tonight to speak for Kathleen Brown. I want to thank the members of our administration who are here, the members of the Cabinet. Their presence here should tell you how important we think this race is.

I was listening to Kathleen speak a moment ago. I want to just tell you a few things from the heart about this. First of all, I declared for President 3 years ago today. At the time I was Governor; I had just been reelected to a fifth term, two 4-year terms, three 2-year terms. I was happy as a clam at home. I got into the race basically because I didn't want to see our victory in the cold war be squandered in the aftermath, because I didn't want to see America move to the 21st century not able to compete and win,